

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 943  
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Short Title: Connect NC Bond Act of 2015.

(Public)

Sponsors:

Referred to:

August 3, 2015

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PURPOSE OF ACCOMPLISHING CERTAIN INTERRELATED AND UNITED PROJECTS TO FURTHER ECONOMIC DEVELOPMENT IN THE STATE CONSISTENT WITH THE CONNECT NC PLAN.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Short Title. – This section shall be known as the "Connect NC Bond Act of 2015."

**SECTION 1.(b)** Purpose. – It is the intent of the General Assembly by this act to provide, subject to a vote of the qualified voters of the State, for the issuance of two billion dollars (\$2,000,000,000) general obligation bonds of the State for the purpose of providing funds, with any other available funds, to update the State's public facilities for the 21st century, including, without limitation, construction, repair, renovation, and furnishing of new facilities in order to (i) enhance other economic development efforts of the State and (ii) attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

**SECTION 1.(c)** Findings. – The General Assembly finds the following:

- (1) The University of North Carolina is in need of new and renovated facilities to educate and prepare students; especially in the areas of science, technology, engineering, and math; to conduct research; and to recruit, retain, and prepare researchers and faculty for the 21st century for the purpose of enhancing the economic attractiveness of the State.
- (2) The North Carolina Community College System is in need of new and renovated facilities to educate and prepare students and workers for the 21st century for the purpose of enhancing the economic attractiveness of the State.
- (3) Parks and public facilities that are accessible to children with disabilities and veterans with disabilities are essential for the 21st century to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.



- 1 (4) Clean water and sewer systems are essential for the 21st century to attract  
2 new and assist existing industry, business, technology, and tourism for the  
3 benefit of the State and its citizenry.
- 4 (5) Modern National Guard facilities attract new defense industry companies  
5 and suppliers.
- 6 (6) New facilities for agriculture will assist current agricultural endeavors in the  
7 State and will attract bioscience and other related industries, thereby  
8 benefitting the State's economic development.
- 9 (7) New and renovated State parks and attractions are vital components of  
10 tourism in the State, thereby benefitting the State's economic development.
- 11 (8) Adequate public safety is essential for the public welfare, for orderly  
12 economic development, and to attract new and assist existing industry,  
13 business, technology, and tourism for the benefit of the State and its  
14 citizenry.
- 15 (9) State facilities need routine repair and renovations in order for the facilities  
16 to be up-to-date for the 21st century to attract new and assist existing  
17 industry, business, technology, and tourism for the benefit of the State and  
18 its citizenry.
- 19 (10) The components set forth above are all interrelated and united and comprise  
20 a single plan for updating the State's infrastructure for the 21st century and  
21 for providing the State with necessary economic development tools to attract  
22 new and assist existing industry, business, technology, and tourism for the  
23 benefit of the State and its citizenry.

24 **SECTION 1.(d)** Definitions. – Unless the context otherwise requires, the following  
25 definitions apply in this section:

- 26 (1) Bonds. – Bonds issued under this section.
- 27 (2) Cost. – Without intending thereby to limit or restrict any proper definition of  
28 this term in financing the cost of facilities or purposes authorized by this  
29 section, any of the following:
- 30 a. The cost of constructing, reconstructing, enlarging, acquiring, and  
31 improving facilities and acquiring equipment and land therefor.
- 32 b. The cost of engineering, architectural, and other consulting services  
33 as may be required.
- 34 c. Administrative expenses and charges. Nothing in this section shall  
35 permit use of bond funds to pay salaries or fees for bond  
36 administration; such salaries and fees shall come from funds  
37 appropriated by the General Assembly.
- 38 d. Finance charges and interest prior to and during construction and, if  
39 deemed advisable by the State Treasurer, for a period not exceeding  
40 three years after the estimated date of completion of construction.
- 41 e. The cost of bond insurance, investment contracts, credit enhancement  
42 and liquidity facilities, interest-rate swap agreements or other  
43 derivative products, financial and legal consultants, and related costs  
44 of bond and note issuance, to the extent and as determined by the  
45 State Treasurer.
- 46 f. The cost of reimbursing the State for any payments made for any cost  
47 described in this subdivision.
- 48 g. Any other costs and expenses necessary or incidental to the purposes  
49 of this section.

50 Allocations in this section of proceeds of bonds to the costs of a project or  
51 undertaking in each case may include allocations to pay the costs set forth in

sub-subdivisions c. through g. of this subdivision in connection with the issuance of bonds for the project or undertaking.

(3) Credit facility agreement. – An agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution; an insurance company, reinsurance company, surety company, or other insurance institution; a corporation, investment banking firm, or other investment institution; or any financial institution or other similar provider of a credit facility agreement, which provider may be located within or without the United States of America, such agreement providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State agreeing to repay the provider of the credit facility agreement in accordance with the terms and provisions of such agreement.

(4) Notes. – Notes issued under this section.

(5) Par formula. – Any provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne by any bonds or notes, including the following:

- a. A provision providing for such adjustment so that the purchase price of such bonds or notes in the open market would be as close to par as possible;
- b. A provision providing for such adjustment based upon a percentage or percentages of a LIBOR rate, a prime rate, or base rate, which percentage or percentages may vary or be applied for different periods of time; or
- c. Such other provision as the State Treasurer may determine to be consistent with this section and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.

(6) State. – The State of North Carolina.

**SECTION 1.(e)** Authorization of Bonds and Notes. – Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing public improvement bonds in the election called and held as provided in this section, the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Public Improvement Bonds," with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this section, in an aggregate principal amount not exceeding two billion dollars (\$2,000,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this section.

**SECTION 1.(f)** Use of Public Improvement Bond and Note Proceeds. –

(1) Subject to the provisions of subdivision (2) of this subsection, the proceeds of public improvement bonds and notes, including premium thereon, if any, shall be used for the projects in the following general amounts set forth below:

**University of North Carolina**

|                              |         |                              |              |
|------------------------------|---------|------------------------------|--------------|
| Appalachian State University | Watauga | New Health Sciences Building | \$70,000,000 |
|------------------------------|---------|------------------------------|--------------|

|    |   |             |   |                      |
|----|---|-------------|---|----------------------|
| 1  |   |             |   |                      |
| 2  | East Carolina                                 | Pitt        | Life Sciences & Biotech. Building                     | \$90,000,000         |
| 3  | University                                    |             |   |                      |
| 4  |   |             |   |                      |
| 5  | Fayetteville State                            | Cumberland  | Lyons Science Bldg. Renovation                        | \$10,000,000         |
| 6  | University                                    |             |   |                      |
| 7  |   |             |   |                      |
| 8  | NC Central                                    | Durham      | New Business School                                   | \$30,000,000         |
| 9  | University                                    |             |   |                      |
| 10 |   |             |   |                      |
| 11 | NC State University                           | Wake        | Engineering Building                                  | \$75,000,000         |
| 12 |   |             |   |                      |
| 13 | North Carolina                                | Guilford    | Engineering Building                                  | \$90,000,000         |
| 14 | A & T State                                   |             |   |                      |
| 15 | University                                    |             |   |                      |
| 16 |   |             |   |                      |
| 17 | North Carolina                                | Burke       | North Carolina School of Technology                   | \$58,000,000         |
| 18 | School of Science                             |             | and Engineering                                       |                      |
| 19 | and Math                                      |             |   |                      |
| 20 |   |             |   |                      |
| 21 | UNC – Chapel Hill                             | Orange      | Medical Education Bldg. Replacement                   | \$68,000,000         |
| 22 |   |             |   |                      |
| 23 | UNC – Charlotte                               | Mecklenburg | New Sciences Building                                 | \$90,000,000         |
| 24 |   |             |   |                      |
| 25 | UNC – Greensboro                              | Guilford    | Nursing School Building                               | \$105,000,000        |
| 26 |   |             |   |                      |
| 27 | UNC – Pembroke                                | Robeson     | New Business School                                   | \$23,000,000         |
| 28 |   |             |   |                      |
| 29 | UNC – Wilmington                              | New Hanover | Allied Health and Human Services/<br>Nursing Building | \$66,000,000         |
| 30 |   |             |   |                      |
| 31 |   |             |   |                      |
| 32 | Western Carolina                              | Jackson     | Science/STEM Building                                 | \$110,000,000        |
| 33 | University                                    |             |   |                      |
| 34 |   |             |   |                      |
| 35 | Winston-Salem                                 | Forsyth     | Sciences Building                                     | \$50,000,000         |
| 36 | State University                              |             |   |                      |
| 37 |   |             |   |                      |
| 38 | Various                                       | Statewide   | Capital Repairs and Renovations                       | \$45,000,000         |
| 39 |   |             |   |                      |
| 40 | <b>Total for University of North Carolina</b> |             |   | <b>\$980,000,000</b> |
| 41 |   |             |   |                      |
| 42 |   |             |   |                      |
| 43 | <b><u>NC Community Colleges</u></b>           |             |   |                      |
| 44 |   |             |   |                      |
| 45 | Alamance Comm. College                        |             | New Construction, Repairs, Renovations                | \$6,100,339          |
| 46 |   |             |   |                      |
| 47 | Asheville-Buncombe                            |             | New Construction, Repairs, Renovations                | \$5,487,535          |
| 48 | Technical Comm. College                       |             |   |                      |
| 49 |   |             |   |                      |
| 50 | Beaufort Co. Comm. College                    |             | New Construction, Repairs, Renovations                | \$6,557,819          |
| 51 |   |             |   |                      |

|    |                                  |  |              |
|----|----------------------------------|--|--------------|
| 1  | Bladen Comm. College             | New Construction, Repairs, Renovations | \$6,533,125  |
| 2  |                                  |  |              |
| 3  | Blue Ridge Comm. College         | New Construction, Repairs, Renovations | \$2,966,077  |
| 4  |                                  |  |              |
| 5  | Brunswick Comm. College          | New Construction, Repairs, Renovations | \$2,857,328  |
| 6  |                                  |  |              |
| 7  | Caldwell Comm. College           | New Construction, Repairs, Renovations | \$5,629,337  |
| 8  | and Technical Institute          |  |              |
| 9  |                                  |  |              |
| 10 | Cape Fear Comm. College          | New Construction, Repairs, Renovations | \$5,908,685  |
| 11 |                                  |  |              |
| 12 | Carteret Comm. College           | New Construction, Repairs, Renovations | \$2,674,685  |
| 13 |                                  |  |              |
| 14 | Catawba Valley Comm. College     | New Construction, Repairs, Renovations | \$6,180,268  |
| 15 |                                  |  |              |
| 16 | Central Carolina Comm. College   | New Construction, Repairs, Renovations | \$6,307,085  |
| 17 |                                  |  |              |
| 18 | Central Piedmont Comm. College   | New Construction, Repairs, Renovations | \$9,636,457  |
| 19 |                                  |  |              |
| 20 | Cleveland Comm. College          | New Construction, Repairs, Renovations | \$5,467,357  |
| 21 |                                  |  |              |
| 22 | College of the Albermarle        | New Construction, Repairs, Renovations | \$6,590,687  |
| 23 |                                  |  |              |
| 24 | Coastal Carolina Comm. College   | New Construction, Repairs, Renovations | \$6,973,103  |
| 25 |                                  |  |              |
| 26 | Craven Comm. College             | New Construction, Repairs, Renovations | \$5,376,640  |
| 27 |                                  |  |              |
| 28 | Davidson County Comm. College    | New Construction, Repairs, Renovations | \$5,820,720  |
| 29 |                                  |  |              |
| 30 | Durham Tech. Comm. College       | New Construction, Repairs, Renovations | \$4,362,997  |
| 31 |                                  |  |              |
| 32 | Edgecombe Comm. College          | New Construction, Repairs, Renovations | \$7,277,875  |
| 33 |                                  |  |              |
| 34 | Fayetteville Tech. Comm. College | New Construction, Repairs, Renovations | \$10,668,066 |
| 35 |                                  |  |              |
| 36 | Forsyth Tech. Comm. College      | New Construction, Repairs, Renovations | \$5,809,410  |
| 37 |                                  |  |              |
| 38 | Gaston College                   | New Construction, Repairs, Renovations | \$5,949,907  |
| 39 |                                  |  |              |
| 40 | Guilford Tech. Comm. College     | New Construction, Repairs, Renovations | \$9,519,543  |
| 41 |                                  |  |              |
| 42 | Halifax Comm. College            | New Construction, Repairs, Renovations | \$6,519,080  |
| 43 |                                  |  |              |
| 44 | Haywood Comm. College            | New Construction, Repairs, Renovations | \$2,831,380  |
| 45 |                                  |  |              |
| 46 | Isothermal Comm. College         | New Construction, Repairs, Renovations | \$6,803,668  |
| 47 |                                  |  |              |
| 48 | James Sprunt Comm. College       | New Construction, Repairs, Renovations | \$4,502,677  |
| 49 |                                  |  |              |
| 50 | Johnston Comm. College           | New Construction, Repairs, Renovations | \$3,701,470  |
| 51 |                                  |  |              |

|    |                               |  |              |
|----|-------------------------------|--|--------------|
| 1  | Lenoir Comm. College          | New Construction, Repairs, Renovations | \$8,001,502  |
| 2  |                               |  |              |
| 3  | Martin Comm. College          | New Construction, Repairs, Renovations | \$6,566,722  |
| 4  |                               |  |              |
| 5  | Mayland Comm. College         | New Construction, Repairs, Renovations | \$4,668,043  |
| 6  |                               |  |              |
| 7  | McDowell Tech. Comm. College  | New Construction, Repairs, Renovations | \$4,598,981  |
| 8  |                               |  |              |
| 9  | Mitchell Comm. College        | New Construction, Repairs, Renovations | \$3,218,011  |
| 10 |                               |  |              |
| 11 | Montgomery Comm. College      | New Construction, Repairs, Renovations | \$6,334,537  |
| 12 |                               |  |              |
| 13 | Nash Comm. College            | New Construction, Repairs, Renovations | \$7,773,798  |
| 14 |                               |  |              |
| 15 | Pamlico Comm. College         | New Construction, Repairs, Renovations | \$4,193,233  |
| 16 |                               |  |              |
| 17 | Piedmont Comm. College        | New Construction, Repairs, Renovations | \$4,850,325  |
| 18 |                               |  |              |
| 19 | Pitt Comm. College            | New Construction, Repairs, Renovations | \$8,376,397  |
| 20 |                               |  |              |
| 21 | Randolph Comm. College        | New Construction, Repairs, Renovations | \$5,086,842  |
| 22 |                               |  |              |
| 23 | Richmond Comm. College        | New Construction, Repairs, Renovations | \$7,229,431  |
| 24 |                               |  |              |
| 25 | Roanoke-Chowan Comm. College  | New Construction, Repairs, Renovations | \$6,326,517  |
| 26 |                               |  |              |
| 27 | Robeson Comm. College         | New Construction, Repairs, Renovations | \$7,296,568  |
| 28 |                               |  |              |
| 29 | Rockingham Comm. College      | New Construction, Repairs, Renovations | \$6,848,392  |
| 30 |                               |  |              |
| 31 | Rowan-Cabarrus Comm. College  | New Construction, Repairs, Renovations | \$7,211,552  |
| 32 |                               |  |              |
| 33 | Sampson Comm. College         | New Construction, Repairs, Renovations | \$4,774,533  |
| 34 |                               |  |              |
| 35 | Sandhills Comm. College       | New Construction, Repairs, Renovations | \$3,816,267  |
| 36 |                               |  |              |
| 37 | South Piedmont Comm. College  | New Construction, Repairs, Renovations | \$3,189,221  |
| 38 |                               |  |              |
| 39 | Southeastern Comm. College    | New Construction, Repairs, Renovations | \$6,861,620  |
| 40 |                               |  |              |
| 41 | Southwestern Comm. College    | New Construction, Repairs, Renovations | \$7,170,597  |
| 42 |                               |  |              |
| 43 | Stanly Comm. College          | New Construction, Repairs, Renovations | \$5,510,980  |
| 44 |                               |  |              |
| 45 | Surry Comm. College           | New Construction, Repairs, Renovations | \$7,222,184  |
| 46 |                               |  |              |
| 47 | Tri-County Comm. College      | New Construction, Repairs, Renovations | \$4,515,728  |
| 48 |                               |  |              |
| 49 | Vance-Granville Comm. College | New Construction, Repairs, Renovations | \$7,611,910  |
| 50 |                               |  |              |
| 51 | Wake Tech. Comm. College      | New Construction, Repairs, Renovations | \$12,595,127 |

|    |   |            |  |                      |
|----|---|------------|--|----------------------|
| 1  |   |            |  |                      |
| 2  | Wayne Comm. College                             |            | New Construction, Repairs, Renovations | \$5,855,913          |
| 3  |   |            |  |                      |
| 4  | Western Piedmont Comm. College                  |            | New Construction, Repairs, Renovations | \$5,099,649          |
| 5  |   |            |  |                      |
| 6  | Wilkes Comm. College                            |            | New Construction, Repairs, Renovations | \$5,243,674          |
| 7  |   |            |  |                      |
| 8  | Wilson Comm. College                            |            | New Construction, Repairs, Renovations | \$6,938,426          |
| 9  |   |            |  |                      |
| 10 | <b>Total for NC Community Colleges</b>          |            |  | <b>\$350,000,000</b> |
| 11 |   |            |  |                      |
| 12 |   |            |  |                      |
| 13 | <b><u>Local Parks and Infrastructure</u></b>    |            |  |                      |
| 14 |   |            |  |                      |
| 15 | DENR  | Statewide  | Children With Disabilities and         | \$3,000,000          |
| 16 |   |            | Veterans With Disabilities Local       |                      |
| 17 |   |            | Parks (Matching Grants)                |                      |
| 18 |   |            |  |                      |
| 19 | Department of                                   | Statewide  | Water/Sewer Loans and Grants           | \$309,500,000        |
| 20 | Environmental                                   |            |  |                      |
| 21 | Quality   |            |  |                      |
| 22 |   |            |  |                      |
| 23 | <b>Total for Local Parks and Infrastructure</b> |            |  | <b>\$312,500,000</b> |
| 24 |   |            |  |                      |
| 25 |   |            |  |                      |
| 26 | <b><u>National Guard</u></b>                    |            |  |                      |
| 27 |   |            |  |                      |
| 28 | National Guard                                  | Guilford/  | Readiness Centers                      | \$70,000,000         |
| 29 |   | Burke/     |  |                      |
| 30 |   | Wilkes     |  |                      |
| 31 |   |            |  |                      |
| 32 | <b>Total for National Guard</b>                 |            |  | <b>\$70,000,000</b>  |
| 33 |   |            |  |                      |
| 34 |   |            |  |                      |
| 35 | <b><u>Agriculture</u></b>                       |            |  |                      |
| 36 |   |            |  |                      |
| 37 | NC State University                             | Wake       | Plant Sciences Building                | \$85,000,000         |
| 38 |   |            | Ag/NCSU Partnership                    |                      |
| 39 |   |            |  |                      |
| 40 | Agriculture and                                 | Wake       | Veterinary/Food/Drug/Motor Fuels Lab   | \$94,000,000         |
| 41 | Consumer Services                               |            |  |                      |
| 42 |   |            |  |                      |
| 43 | <b>Total for Agriculture</b>                    |            |  | <b>\$179,000,000</b> |
| 44 |   |            |  |                      |
| 45 |   |            |  |                      |
| 46 | <b><u>State Parks and Attractions</u></b>       |            |  |                      |
| 47 |   |            |  |                      |
| 48 | State Parks                                     | Cumberland | Carvers Creek                          | \$5,700,750          |
| 49 |   |            |  |                      |
| 50 | State Parks                                     | Durham/    | Eno River                              | \$2,830,500          |
| 51 |   | Orange     |  |                      |

|    |             |  |                                    |             |
|----|-------------|--|------------------------------------|-------------|
| 1  |             |  |                                    |             |
| 2  | State Parks | Washington/<br>Beaufort                    | Goose Creek                        | \$1,477,500 |
| 3  |             |  |                                    |             |
| 4  |             |  |                                    |             |
| 5  | State Parks | Onslow                                     | Hammocks Beach                     | \$1,125,000 |
| 6  |             |  |                                    |             |
| 7  | State Parks | Dare                                       | Jockeys Ridge                      | \$751,500   |
| 8  |             |  |                                    |             |
| 9  | State Parks | Vance/<br>Warren                           | Kerr Lake State Recreation Area    | \$3,750,000 |
| 10 |             |  |                                    |             |
| 11 |             |  |                                    |             |
| 12 | State Parks | Burke/<br>McDowell                         | Lake James                         | \$3,021,000 |
| 13 |             |  |                                    |             |
| 14 |             |  |                                    |             |
| 15 | State Parks | Iredell                                    | Lake Norman                        | \$2,307,000 |
| 16 |             |  |                                    |             |
| 17 | State Parks | Yancey                                     | Mount Mitchell                     | \$600,000   |
| 18 |             |  |                                    |             |
| 19 | State Parks | Various                                    | Mountain-To-Sea/Other State Trails | \$4,500,000 |
| 20 |             |  |                                    |             |
| 21 | State Parks | Surry/<br>Yadkin                           | Pilot Mountain                     | \$4,481,850 |
| 22 |             |  |                                    |             |
| 23 |             |  |                                    |             |
| 24 | State Parks | Camden                                     | Dismal Swamp                       | \$990,750   |
| 25 |             |  |                                    |             |
| 26 | State Parks | Watauga                                    | Elk Knob                           | \$900,000   |
| 27 |             |  |                                    |             |
| 28 | State Parks | Durham/<br>Wake                            | Falls Lake State Recreation Area   | \$789,750   |
| 29 |             |  |                                    |             |
| 30 |             |  |                                    |             |
| 31 | State Parks | New Hanover                                | Fort Fisher State Recreation Area  | \$1,125,000 |
| 32 |             |  |                                    |             |
| 33 | State Parks | Transylvania                               | Gorges                             | \$2,505,750 |
| 34 |             |  |                                    |             |
| 35 | State Parks | Stokes                                     | Hanging Rock                       | \$2,100,000 |
| 36 |             |  |                                    |             |
| 37 | State Parks | Guilford/<br>Rockingham                    | Haw River                          | \$1,500,000 |
| 38 |             |  |                                    |             |
| 39 |             |  |                                    |             |
| 40 | State Parks | Chatham/<br>Wake                           | Jordan Lake State Recreation Area  | \$3,000,000 |
| 41 |             |  |                                    |             |
| 42 |             |  |                                    |             |
| 43 | State Parks | Columbus                                   | Lake Waccamaw                      | \$1,506,000 |
| 44 |             |  |                                    |             |
| 45 | State Parks | Scotland/<br>Hoke/<br>Robeson/<br>Columbus | Lumber River                       | \$2,628,750 |
| 46 |             |  |                                    |             |
| 47 |             |  |                                    |             |
| 48 |             |  |                                    |             |
| 49 |             |  |                                    |             |
| 50 | State Parks | Rockingham                                 | Mayo River                         | \$750,000   |
| 51 |             |  |                                    |             |

|    |             |                       |   |              |
|----|-------------|-----------------------|---|--------------|
| 1  | State Parks | Tyrell/<br>Washington | Pettigrew   | \$2,830,500  |
| 2  |             |                       |   |              |
| 3  |             |                       |   |              |
| 4  | State Parks | Burke                 | South Mountain  | \$2,250,000  |
| 5  |             |                       |   |              |
| 6  | State Parks | Alleghany/<br>Wilkes  | Stone Mountain  | \$1,338,000  |
| 7  |             |                       |   |              |
| 8  |             |                       |   |              |
| 9  | State Parks | Wake                  | William B. Umstead  | \$1,725,000  |
| 10 |             |                       |   |              |
| 11 | State Parks | Avery                 | Yellow Mountain State Natural Area  | \$2,250,000  |
| 12 |             |                       |   |              |
| 13 | State Parks | Watauga               | Beech Creek Bog State Natural Area  | \$600,000    |
| 14 |             |                       |   |              |
| 15 | State Parks | New Hanover           | Carolina Beach  | \$855,000    |
| 16 |             |                       |   |              |
| 17 | State Parks | Rutherford            | Chimney Rock  | \$1,500,000  |
| 18 |             |                       |   |              |
| 19 | State Parks | Wayne                 | Cliffs of the Neuse   | \$692,400    |
| 20 |             |                       |   |              |
| 21 | State Parks | Gaston                | Crowders Mountain   | \$750,000    |
| 22 |             |                       |   |              |
| 23 | State Parks | Chatham               | Deep River State Trail  | \$1,281,000  |
| 24 |             |                       |   |              |
| 25 | State Parks | Carteret              | Fort Macon  | \$135,000    |
| 26 |             |                       |   |              |
| 27 | State Parks | Watauga               | Grandfather Mountain  | \$1,501,500  |
| 28 |             |                       |   |              |
| 29 | State Parks | Bladen                | Jones Lake  | \$651,750    |
| 30 |             |                       |   |              |
| 31 | State Parks | Chatham               | Lower Haw River State Natural Area  | \$203,250    |
| 32 |             |                       |   |              |
| 33 | State Parks | Halifax               | Medoc Mountain  | \$1,383,750  |
| 34 |             |                       |   |              |
| 35 | State Parks | Gates                 | Merchants Millpond  | \$870,750    |
| 36 |             |                       |   |              |
| 37 | State Parks | Stanly                | Morrow Mountain   | \$1,537,500  |
| 38 |             |                       |   |              |
| 39 | State Parks | Ashe                  | Mount Jefferson State Natural Area  | \$1,500,000  |
| 40 |             |                       |   |              |
| 41 | State Parks | Ashe                  | New River   | \$675,000    |
| 42 |             |                       |   |              |
| 43 | State Parks | Harnett               | Raven Rock  | \$1,125,000  |
| 44 |             |                       |   |              |
| 45 | State Parks | Bladen                | Singletary Lake   | \$575,250    |
| 46 |             |                       |   |              |
| 47 | State Parks | Moore                 | Weymouth Woods State Natural Area   | \$428,250    |
| 48 |             |                       |   |              |
| 49 | Zoo         | Randolph              | Australasia Exhibit Complex/<br>Replace Africa Pavilion and<br>Related Projects | \$25,000,000 |
| 50 |             |                       |   |              |
| 51 |             |                       |   |              |

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| <b>Total for State Parks and Attractions</b>   | <b>\$100,000,000</b>   |
| <br>   |                        |
| <b><u>Public Safety</u></b>  |                        |
| DPS                                      Moore                                      Samarcand Training Academy | \$8,500,000            |
| <b>Total for Public Safety</b>   | <b>\$8,500,000</b>     |
| <br>   |                        |
| <b>Grand Total</b>   | <b>\$2,000,000,000</b> |

(2) Special Allocation Provisions. – In determining the use of the proceeds of public improvement bonds and notes, including premium thereon, if any, set forth in subdivision (1) of this subsection, the following special allocation provisions apply:

- a. The proceeds of public improvement bonds and notes, including premium thereon, if any, for Statewide capital repairs and renovations for The University of North Carolina, as provided in subdivision (1) of this subsection, shall be used for projects that are eligible to receive funds from the Repairs and Renovations Reserve under G.S. 143C-4-3(b). Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated. Such proceeds (i) shall be prioritized to constituent institutions not otherwise specified as receiving proceeds under subdivision (1) of this subsection and (ii) shall not be used to increase any amount to a constituent institution otherwise specified as receiving proceeds under subdivision (1) of this subsection.
- b. The proceeds of public improvement bonds and notes, including premium thereon, if any, for NC Community Colleges, as provided in subdivision (1) of this subsection, shall be used for new construction or rehabilitation of existing facilities and repairs and renovations. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated. In order to receive the proceeds under this sub-subdivision for projects for new construction, the community college receiving the proceeds shall provide local matching funds from county funds, other non-State funds, or a combination of these sources for such proceeds. The amount of matching funds shall be (i) one dollar (\$1.00) of local matching funds for every three dollars (\$3.00) of such proceeds for a community college with a main campus located in a development tier one area, as defined in G.S. 143B-437.08, (ii) one dollar (\$1.00) of local matching funds for every two dollars (\$2.00) of such proceeds for a community college with a main campus located in a development tier two area, as defined in G.S. 143B-437.08, and (iii) one dollar (\$1.00) of local matching funds for every one dollar

1 (\$1.00) of such proceeds for a community college with a main  
2 campus located in a development tier three area, as defined in  
3 G.S. 143B-437.08. Community colleges are not required to match  
4 bond proceeds allocated in this section for rehabilitation of existing  
5 facilities and repairs and renovations.

6 c. The proceeds of public improvement bonds and notes, including  
7 premium thereon, if any, for the Department of Environment and  
8 Natural Resources for Statewide Children With Disabilities and  
9 Veterans With Disabilities Local Parks (Matching Grants), as  
10 provided in subdivision (1) of this subsection, shall be allocated to  
11 the Parks and Recreation Trust Fund established in G.S. 113-44.15  
12 and shall be used exclusively for grants to local government units or  
13 public authorities, as defined in G.S. 159-7, for construction of  
14 special facilities or adaptation of existing facilities that meet the  
15 unique needs of children with physical and developmental disabilities  
16 and veterans with physical and developmental disabilities and enable  
17 them to participate in recreational and sporting activities, regardless  
18 of their abilities. In order to receive such proceeds under this  
19 sub-subdivision, a local government unit or public authority shall  
20 provide matching funds in the amount of one dollar (\$1.00) of local  
21 funds for every four dollars (\$4.00) of such proceeds. Grants made  
22 using such proceeds under this sub-subdivision shall not exceed five  
23 hundred thousand dollars (\$500,000) per project.

24 d. The proceeds of public improvement bonds and notes, including  
25 premium thereon, if any, for the Department of Environmental  
26 Quality for Statewide Water/Sewer Loans and Grants, as provided in  
27 subdivision (1) of this subsection, shall be allocated to the Water  
28 Infrastructure Fund established in G.S. 159G-22. One hundred  
29 million dollars (\$100,000,000) shall be used for grants, and the  
30 remainder shall be used for low-interest loans. The proceeds for  
31 loans and the proceeds for grants shall be allocated in equal  
32 proportion to the Drinking Water Reserve and the Wastewater  
33 Reserve and shall be subject to the following:

34 1. If the availability of loan funds exceeds project demand, the  
35 limits contained in G.S. 159G-36 applicable to a loan may be  
36 exceeded for the purpose of ensuring that all available loan  
37 funds are utilized for projects prioritized pursuant to  
38 G.S. 159G-23.

39 2. Loan and grant applications for projects shall be funded first  
40 if both of the following criteria are met: (i) the project is  
41 required to be completed due to an EPA administrative order  
42 or consent decree and (ii) the application for the project is  
43 deemed complete by the Division and meets the minimum  
44 requirements for the program from which it is seeking  
45 funding.

46 3. A grant application to be funded from the Wastewater  
47 Reserve and required to be prioritized under  
48 sub-sub-subdivision 2. of this sub-subdivision shall be  
49 awarded a grant equal to fifty percent (50%) of the project  
50 costs that are reasonably necessary to comply with the EPA  
51 administrative order or consent decree, notwithstanding limits

- 1 otherwise applicable pursuant to G.S. 159G-36; provided that,  
2 the cumulative amount of all grants received by an applicant  
3 under this sub-subdivision does not exceed one-third of the  
4 amount of bond proceeds for grants allocated to the  
5 Wastewater Reserve.
- 6 4. A loan application to be funded from the Wastewater Reserve  
7 and required to be prioritized under sub-sub-subdivision 2. of  
8 this sub-subdivision shall receive a loan equal to the amount  
9 sufficient to cover all project costs that are reasonably  
10 necessary to comply with the EPA administrative order or  
11 consent decree minus the amount of any grant awarded under  
12 sub-sub-subdivision 3. of this sub-subdivision; provided that,  
13 the cumulative amount of all loans received by an applicant  
14 under this sub-subdivision does not exceed fifteen million  
15 dollars (\$15,000,000).
- 16 e. The proceeds of public improvement bonds and notes, including  
17 premium thereon, if any, for National Guard, as provided in  
18 subdivision (1) of this subsection, shall be used by the Adjutant  
19 General of the North Carolina National Guard for capital  
20 improvements, as defined in G.S. 143C-1-1(d)(5), for readiness  
21 centers located in Guilford, Burke, and Wilkes Counties.
- 22 f. The proceeds of public improvement bonds and notes, including  
23 premium thereon, if any, for the North Carolina Zoological Park, as  
24 provided in subdivision (1) of this subsection, shall be used for  
25 capital improvements, as defined in G.S. 143C-1-1(d)(5). Any items  
26 purchased with such proceeds and installed or replaced as part of a  
27 renovation or rehabilitation must have a useful life of at least 10  
28 years or must extend the life of the facility by at least 10 years once  
29 renovated or rehabilitated.
- 30 (3) Reallocation. – For public improvement bonds authorized by this section, the  
31 General Assembly may at this session or at any subsequent session increase  
32 or decrease the allocations of the proceeds of public improvement bonds and  
33 notes, including premium thereon, if any, for projects set forth in subdivision  
34 (1) of this subsection or reallocate any amounts among agencies or projects  
35 not listed in this subsection but listed in the six-year capital improvement  
36 plan developed pursuant to G.S. 143C-8-5, so long as the aggregate amount  
37 of the allocations does not exceed two billion dollars (\$2,000,000,000).

38 **SECTION 1.(g) Allocation and Tracking of Proceeds. –**

- 39 (1) Public improvement bonds. – The proceeds of public improvement bonds  
40 and notes, including premium thereon, if any, except the proceeds of bonds  
41 the issuance of which has been anticipated by bond anticipation notes or the  
42 proceeds of refunding bonds or notes, shall be placed by the State Treasurer  
43 in a special fund to be designated "Public Improvement Bonds Fund," which  
44 may include such appropriate special accounts therein as may be determined  
45 by the State Treasurer and shall be disbursed as provided in this section.  
46 Monies in the Public Improvement Bonds Fund shall be allocated and  
47 expended as provided in this section.

48 Any additional monies that may be received by means of a grant or  
49 grants from the United States of America or any agency or department  
50 thereof or from any other source for deposit to the Public Improvement  
51 Bonds Fund may be placed in the Public Improvement Bonds Fund or in a

1 separate account or fund and shall be disbursed, to the extent permitted by  
2 the terms of the grant or grants, without regard to any limitations imposed by  
3 this section.

4 Monies in the Public Improvement Bonds Fund or any separate account  
5 established under this section may be invested from time to time by the State  
6 Treasurer in the same manner permitted for investment of monies belonging  
7 to the State or held in the State treasury, except with respect to grant money  
8 to the extent otherwise directed by the terms of the grant. Investment  
9 earnings, except investment earnings with respect to grant monies to the  
10 extent otherwise directed or restricted by the terms of the grant, may be (i)  
11 credited to the Public Improvement Bonds Fund, (ii) used to pay debt service  
12 on the bonds authorized by this section, (iii) used to satisfy compliance with  
13 applicable requirements of the federal tax law, or (iv) transferred to the  
14 General Fund of the State.

15 The proceeds of public improvement bonds and notes, including  
16 premium thereon, if any, may be used with any other monies made available  
17 by the General Assembly for funding the projects authorized by this section,  
18 including the proceeds of any other State bond issues, whether heretofore  
19 made available or that may be made available at the session of the General  
20 Assembly at which this section is ratified or any subsequent sessions. The  
21 proceeds of public improvement bonds and notes, including premium  
22 thereon, if any, shall be expended and disbursed under the direction and  
23 supervision of the Director of the Budget. The funds provided by this section  
24 shall be disbursed for the purposes provided in this section upon warrants  
25 drawn on the State Treasurer by the State Controller, which warrants shall  
26 not be drawn until requisition has been approved by the Director of the  
27 Budget and which requisition shall be approved only after full compliance  
28 with the State Budget Act, Chapter 143C of the General Statutes.

29 (2) Tracking of bond proceeds. – The State Treasurer or the State Treasurer's  
30 designee is hereby authorized and directed to set up a comprehensive system  
31 of tracking the proceeds of the public improvement bonds and notes,  
32 including premium thereon, if any, to the extent necessary to enable the State  
33 Treasurer or the State Treasurer's designee to properly account for the use of  
34 such proceeds for compliance with applicable requirements of the federal tax  
35 law or otherwise. All recipients of such proceeds shall comply with any  
36 tracking system implemented by the State Treasurer or the State Treasurer's  
37 designee for this purpose. The State Treasurer may withhold such proceeds  
38 from any State agency or department not complying with this subdivision.

39 (3) Costs. – Allocations to the costs of a capital improvement or undertaking in  
40 each case may include allocations to pay the costs set forth in  
41 sub-subdivisions c. through g. of subdivision (2) of subsection (d) of this  
42 section in connection with the issuance of bonds for that capital  
43 improvement or undertaking.

44 **SECTION 1.(i)** Election. – The question of the issuance of the bonds authorized by  
45 this section shall be submitted to the qualified voters of the State at the time of the election in  
46 2016 when voters of this State are given an opportunity to express their preference for the  
47 person to be the presidential candidate of their political party. Any other primary, election, or  
48 referendum validly called or scheduled by law at the time the election on the bond question  
49 provided for in this subsection is held may be held as called or scheduled. Notice of the election  
50 shall be given in the manner and at the times required by G.S. 163-33(8). The election and the  
51 registration of voters therefor shall be held under and in accordance with the general laws of the

1 State. Absentee ballots shall be authorized in the election and shall be available 50 days prior to  
2 the date on which the election is to be held.

3 Ballots, voting systems authorized by Article 14A of Chapter 163 of the General  
4 Statutes, or both may be used in accordance with rules prescribed by the State Board of  
5 Elections. The bond question to be used in the ballots or voting systems shall be in substantially  
6 the following form:

7 " FOR  AGAINST

8 The issuance of two billion dollars (\$2,000,000,000) State of North Carolina Public  
9 Improvement Bonds constituting general obligation bonds of the State secured by a pledge of  
10 the faith and credit and taxing power of the State for the purpose of providing funds, with any  
11 other available funds, to fund capital improvements and new facilities for the State, including,  
12 without limitation, the construction and furnishing of new facilities and the renovation and  
13 rehabilitation of existing facilities for, without limitation, the University of North Carolina  
14 System, the North Carolina Community College System, water and sewer systems, the State's  
15 National Guard, the Department of Agriculture and Consumer Services, attractions and parks,  
16 and the Department of Public Safety."

17 If a majority of those voting on the bond question in the election vote in favor of the  
18 issuance of the bonds described in the question, those bonds may be issued as provided in this  
19 section. If a majority of those voting on a bond question in the election do not vote in favor of  
20 the issuance of the bonds described in the question, those bonds shall not be issued.

21 The results of the election shall be canvassed and declared as provided by law for  
22 elections for State officers; the results of the election shall be certified by the State Board of  
23 Elections to the Secretary of State in the manner and at the time provided by the general  
24 election laws of the State.

25 **SECTION 1.(j) Issuance of Bonds and Notes. –**

26 (1) Terms and conditions. – Bonds or notes may bear such date or dates, may be  
27 serial or term bonds or notes, or any combination thereof, may mature in  
28 such amounts and at such time or times, not exceeding 40 years from their  
29 date or dates, may be payable at such place or places, either within or  
30 without the United States of America, in such coin or currency of the United  
31 States of America as at the time of payment is legal tender for payment of  
32 public and private debts, may bear interest at such rate or rates, which may  
33 vary from time to time, and may be made redeemable before maturity, at the  
34 option of the State or otherwise as may be provided by the State, at such  
35 price or prices, including a price less than the face amount of the bonds or  
36 notes, and under such terms and conditions, all as may be determined by the  
37 State Treasurer by and with the consent of the Council of State.

38 (2) Signatures; form and denomination; registration. – Bonds or notes may be  
39 issued as certificated or uncertificated obligations. If issued as certificated  
40 obligations, bonds or notes shall be signed on behalf of the State by the  
41 Governor or shall bear the Governor's facsimile signature, shall be signed by  
42 the State Treasurer or shall bear the State Treasurer's facsimile signature, and  
43 shall bear the Great Seal of the State of North Carolina or a facsimile thereof  
44 shall be impressed or imprinted thereon. If bonds or notes bear the facsimile  
45 signatures of the Governor and the State Treasurer, the bonds or notes shall  
46 also bear a manual signature, which may be that of a bond registrar, trustee,  
47 paying agent, or designated assistant of the State Treasurer. Should any  
48 officer whose signature or facsimile signature appears on bonds or notes  
49 cease to be such officer before the delivery of the bonds or notes, the  
50 signature or facsimile signature shall nevertheless have the same validity for  
51 all purposes as if the officer had remained in office until delivery, and bonds

1 or notes may bear the facsimile signatures of persons who at the actual time  
2 of the execution of the bonds or notes shall be the proper officers to sign any  
3 bond or note, although at the date of the bond or note such persons may not  
4 have been such officers. The form and denomination of bonds or notes,  
5 including the provisions with respect to registration of the bonds or notes  
6 and any system for their registration, shall be as the State Treasurer may  
7 determine in conformity with this section; provided, however, that nothing in  
8 this section shall prohibit the State Treasurer from proceeding, with respect  
9 to the issuance and form of the bonds or notes, under the provisions of  
10 Chapter 159E of the General Statutes, the Registered Public Obligations Act,  
11 as well as under this section.

12 (3) Manner of sale; expenses. – Subject to the consent of the Council of State,  
13 the State Treasurer shall determine the manner in which bonds or notes shall  
14 be offered for sale, whether at public or private sale, whether within or  
15 without the United States of America, and whether by publishing notices in  
16 certain newspapers and financial journals, mailing notices, inviting bids by  
17 correspondence, negotiating contracts of purchase, or otherwise, and the  
18 State Treasurer is authorized to sell bonds or notes at one time or from time  
19 to time at such rate or rates of interest, which may vary from time to time,  
20 and at such price or prices, including a price less than the face amount of the  
21 bonds or the notes, as the State Treasurer may determine. All expenses  
22 incurred in preparation, sale, and issuance of bonds or notes shall be paid by  
23 the State Treasurer from the proceeds of bonds or notes or other available  
24 monies.

25 (4) Notes; repayment. –

26 a. Subject to the consent of the Council of State, the State Treasurer is  
27 hereby authorized to borrow money and to execute and issue notes of  
28 the State for the same, but only in the following circumstances and  
29 under the following conditions:

- 30 1. For anticipating the sale of bonds to the issuance of which the  
31 Council of State shall have given consent, if the State  
32 Treasurer shall deem it advisable to postpone the issuance of  
33 the bonds.
- 34 2. For the payment of interest on or any installment of principal  
35 of any bonds then outstanding, if there shall not be sufficient  
36 funds in the State treasury with which to pay the interest or  
37 installment of principal as they respectively become due.
- 38 3. For the renewal of any loan evidenced by notes herein  
39 authorized.
- 40 4. For the purposes authorized in this section.
- 41 5. For refunding bonds or notes as herein authorized.

42 b. Funds derived from the sale of bonds or notes may be used in the  
43 payment of any bond anticipation notes issued under this section.  
44 Funds provided by the General Assembly for the payment of interest  
45 on or principal of bonds shall be used in paying the interest on or  
46 principal of any notes and any renewals thereof, the proceeds of  
47 which shall have been used in paying interest on or principal of the  
48 bonds.

49 (5) Refunding bonds and notes. – By and with the consent of the Council of  
50 State, the State Treasurer is authorized to issue and sell refunding bonds and  
51 notes pursuant to the provisions of the State Refunding Bond Act for the

1 purpose of refunding bonds or notes issued pursuant to this section. The  
2 refunding bonds and notes may be combined with any other issues of State  
3 bonds and notes similarly secured.

4 (6) Tax exemption. – Bonds and notes shall be exempt from all State, county,  
5 and municipal taxation or assessment, direct or indirect, general or special,  
6 whether imposed for the purpose of general revenue or otherwise, excluding  
7 inheritance and gift taxes, income taxes on the gain from the transfer of  
8 bonds and notes, and franchise taxes. The interest on bonds and notes shall  
9 not be subject to taxation as to income.

10 (7) Investment eligibility. – Bonds and notes are hereby made securities in  
11 which all public officers, agencies, and public bodies of the State and its  
12 political subdivisions; all insurance companies, trust companies, investment  
13 companies, banks, savings banks, savings and loan associations, credit  
14 unions, pension or retirement funds, and other financial institutions engaged  
15 in business in the State; and executors, administrators, trustees, and other  
16 fiduciaries may properly and legally invest funds, including capital in their  
17 control or belonging to them. Bonds and notes are hereby made securities  
18 that may properly and legally be deposited with and received by any officer  
19 or agency of the State or political subdivision of the State for any purpose  
20 for which the deposit of bonds, notes, or obligations of the State or any  
21 political subdivision of the State is now or may hereafter be authorized by  
22 law.

23 (8) Faith and credit. – The faith and credit and taxing power of the State are  
24 hereby pledged for the payment of the principal of and the interest on bonds  
25 and notes. In addition to the State's right to amend any provision of this  
26 section to the extent it does not impair any contractual right of a bond owner,  
27 the State expressly reserves the right to amend any provision of this section  
28 with respect to the making and repayment of loans, the disposition of any  
29 repayments of loans, and any intercept provisions relating to the failure of a  
30 local government unit to repay a loan, the bonds not being secured in any  
31 respect by loans, any repayments thereof, or any intercept provisions with  
32 respect thereto.

33 **SECTION 1.(k) Variable Interest Rates.** – In fixing the details of bonds and notes,  
34 the State Treasurer may provide that any of the bonds or notes may:

35 (1) Be made payable from time to time on demand or tender for purchase by the  
36 owner thereof, provided a credit facility agreement supports the bonds or  
37 notes, unless the State Treasurer specifically determines that a credit facility  
38 agreement is not required, upon a finding and determination by the State  
39 Treasurer, that the absence of a credit facility agreement will not materially  
40 or adversely affect the financial position of the State and the marketing of  
41 the bonds or notes at a reasonable interest cost to the State;

42 (2) Be additionally supported by a credit facility agreement;

43 (3) Be made subject to redemption or a mandatory tender for purchase prior to  
44 maturity;

45 (4) Bear interest at a rate or rates that may vary for such period or periods of  
46 time, all as may be provided in the proceedings providing for the issuance of  
47 the bonds or notes, including, without limitation, such variations as may be  
48 permitted pursuant to a par formula; and

49 (5) Be made the subject of a remarketing agreement whereby an attempt is made  
50 to remarket bonds or notes to new purchasers prior to their presentment for  
51 payment to the provider of the credit facility agreement or to the State.

1 If the aggregate principal amount repayable by the State under a credit facility  
2 agreement is in excess of the aggregate principal amount of bonds or notes secured by the  
3 credit facility agreement, whether as a result of the inclusion in the credit facility agreement of  
4 a provision for the payment of interest for a limited period of time or the payment of a  
5 redemption premium or for any other reason, then the amount of authorized but unissued bonds  
6 or notes during the term of such credit facility agreement shall not be less than the amount of  
7 such excess, unless the payment of such excess is otherwise provided for by agreement of the  
8 State executed by the State Treasurer.

9 **SECTION 1.(I)** Interpretation of Section. –

- 10 (1) Additional method. – The foregoing subsections of this section shall be  
11 deemed to provide an additional and alternative method for the doing of the  
12 things authorized thereby and shall be regarded as supplemental and  
13 additional to powers conferred by other laws and shall not be regarded as in  
14 derogation of any powers now existing.
- 15 (2) Statutory references. – References in this section to specific sections or  
16 Chapters of the General Statutes or to specific acts are intended to be  
17 references to these sections, Chapters, or acts as they may be amended from  
18 time to time by the General Assembly.
- 19 (3) Broad construction. – The General Assembly specifically has chosen to  
20 combine what otherwise might be considered differing projects to be  
21 financed into one bond bill and bond question because the General  
22 Assembly finds that such differing projects, when taken together, constitute  
23 an interrelated, united, and single plan for the State's infrastructure as stated  
24 aforesaid. Accordingly, this section, being necessary for the health, welfare,  
25 and advancement of the people of the State, shall be broadly construed to  
26 affect the purposes thereof.
- 27 (4) Inconsistent provisions. – Insofar as the provisions of this section are  
28 inconsistent with the provisions of any general laws, or parts thereof, the  
29 provisions of this section shall be controlling.
- 30 (5) Severability. – If any provision of this section or the application thereof to  
31 any person or circumstance is held invalid, such invalidity shall not affect  
32 other provisions or applications of the section that can be given effect  
33 without the invalid provision or application, and to this end, the provisions  
34 of this section are declared to be severable.

35 **SECTION 2.** Other than community colleges, each entity receiving the proceeds of  
36 public improvement bonds and notes, including premium thereon, if any, issued pursuant to and  
37 for projects listed in Section 1 of this act shall report by January 1, 2017, and quarterly  
38 thereafter, to the Joint Legislative Oversight Committee on Capital Improvements, the House of  
39 Representatives Appropriations Committee, and the Senate Committee on Appropriations/Base  
40 Budget on the projects funded from public improvement general obligation bonds authorized  
41 by Section 1 of this act. Community colleges receiving the proceeds of public improvement  
42 bonds and notes, including premium thereon, if any, issued pursuant to and for projects listed in  
43 Section 1 of this act shall report by January 1, 2017, and quarterly thereafter, to the North  
44 Carolina Community Colleges System Office on the projects funded from public improvement  
45 general obligation bonds authorized by Section 1 of this act, and the System Office shall  
46 combine the reports and submit them to the Joint Legislative Oversight Committee on Capital  
47 Improvements, the House of Representatives Appropriations Committee, and the Senate  
48 Committee on Appropriations/Base Budget. Each report shall include the total project costs, the  
49 amount to be funded from the bonds, the expenditures to date from the bonds and other sources,  
50 and the percentage of each project completed.

1           **SECTION 3.** The State Treasurer shall not issue bonds or notes otherwise  
2 authorized by Section 1 of this act in an amount or year where the issuance of the bonds or  
3 notes would violate the Debt Affordability Advisory Committee's recommendations on debt  
4 capacities required under G.S. 142-101.

5           **SECTION 4.(a)** The portion of funds estimated to be needed for escalation of costs  
6 for projects, other than for NC Community Colleges, for DEQ Statewide Water/Sewer Loans  
7 and Grants, and for State parks, funded in whole or in part with the proceeds of public  
8 improvement bonds and notes, including premium thereon, if any, issued pursuant to Section 1  
9 of this act, shall remain with the Office of State Budget and Management and shall be  
10 disbursed only for the following purposes:

11           (1) To address unforeseen contingencies related to the specific project for which  
12 the funds were made available.

13           (2) To address inflation costs related to that specific project.

14           **SECTION 4.(b)** Any funds retained by the Office of State Budget and  
15 Management pursuant to subsection (a) of this section at the time a project is completed shall  
16 be retained by the Office of State Budget and Management until reallocated for other purposes  
17 by the General Assembly. The Office of State Budget and Management shall report to the Joint  
18 Legislative Oversight Committee on Capital Improvements on any funds retained pursuant to  
19 this subsection within 90 days of a project's completion.

20           **SECTION 5.** This act is effective when it becomes law.